

Message Text

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PAGE 01 LONDON 10007 161938Z

ACTION EB-07

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00
DODE-00 DOTE-00 INR-07 NSAE-00 EPG-02 FAA-00 SS-15
NSC-05 L-03 SSO-00 INRE-00 NSCE-00 SP-02 PM-04
H-01 /061 W

-----161945Z 098077 /72

O O 161928Z JUN 77 ZFF 4

FM AMEMBASSY LONDON

TO SECSTATE WASHDC NIACT IMMEDIATE 5173

WHITE HOUSE NIACT IMMEDIATE

INFO AMEMBASSY OTTAWA IMMEDIATE

C O N F I D E N T I A L LONDON 10007

FOR E, EB

PASS DOT (ADAMS, DAVENPORT, KAMM) CAB (KAHN,
RODRIGUEZ)

WHITE HOUSE FOR JOHNSTON, DEAL (NSC)

OTTAWA FOR TRIMBLE

E.O. 11652: GDS

TAGS: EAIR, UK

SUBJECT: US-UK CIVAIR NEGOTIATIONS: SECOND REPORT
ON JUNE 16

1. ASSESSMENT OF STATUS - FOLLOWING FULL DAY OF
DISCUSSIONS IN VARYING DETAIL ON PRINCIPLE ISSUES --
CAPACITY, ROUTES, CHARTER LINK -- WE AND BRITISH
REMAIN FAR APART ON FAIRLY LARGE NUMBER OF IMPORTANT
POINTS. WE ARE CLOSE ON TARIFF ARTICLE AND DESIGNATION,
AND THERE IS SOME ROOM FOR REACHING AGREEMENT ON
VARIOUS SMALL ITEMS IN OTHER "HEARTLAND" ISSUES. INTRO-
DUCTION OF BRITISH COUNTER-PROPOSALS ON CHARTER LINK AND
ROUTES AT END OF AFTERNOON SESSION, HOWEVER, AS WELL AS
CONTINUATION OF MORNING DISCUSSION ON CAPACITY,
INDICATED LITTLE MOVEMENT ON THEIR SIDE TOWARD US
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POSITIONS. NEW UK ROUTE PROPOSALS, IN FACT, CONTAINED
SOME ELEMENTS OF REGRESSION. WE DID NOTE, HOWEVER,
SOME MODERATION IN TONE OF BRITISH PRESENTATION, WHICH
WE TOOK AS REFLECTION OF SHOVELTON'S HAVING HAD
OPPORTUNITY DURING LUNCH BREAK TO READ FULL TEXT OF
PRESIDENT'S LETTER. SHOVELTON IS MEETING LATE THIS
AFTERNOON WITH DELL; WE ASSUME THAT AT THAT MEETING HE

WILL RECEIVE FULL INSTRUCTIONS CONCERNING STANCE HE IS TO TAKE IN VIEW OF PRESIDENT'S LETTER. BRITISH POSITION AT NEGOTIATING SESSION TOMORROW MORNING, THEREFORE, WILL PROBABLY BE CRUCIAL INDICATION OF HOW NEXT FEW DAYS WILL UNFOLD.

2. MORNING MTG REPORTED IN LONDON 9949.

3. AFTERNOON MEETING ADDRESSED PRIMARILY CAPACITY, WITH BRIEF DISCUSSION OF DESIGNATION. UK SUBMITTED COMPREHENSIVE NEW ROUTE PROPOSALS WITH APPLICABLE NOTES ON EXTENT OF PERMITTED OPERATIONS.

4. CAPACITY. DISCUSSION ON PARA 6 OF US DOC 8, REV IV.

A. PARA 6 OK

B. LATTER PART OF PARA 7 ON PENALTIES EXTREMELY COMPLEX.

C. SUGGESTED AIRLINE FAILING BY MORE THAN 10 PERCENT SHOULD SIMPLY BE ALLOWED ONLY TO OFFER ONLY CAPACITY OF PREVIOUS CORRESPONDING SEASON.

D. UK DOES NOT WANT MECHANISM TO EXPIRE AFTER 5 YEARS.

E. UK OBJECT TO FACT THAT SMALLER CARRIER MIGHT NEVER BE ABLE TO MATCH LARGER CARRIER IN CAPACITY - SMALLER CARRIER MAY BE SUBJECT TO DISPROPORTIONATE PENALTY.

F. AGAIN OBJECTED TO ABILITY TO CHALLENGE ONLY INCREASES IN FREQUENCY. WANT MECHANISM TO ADDRESS DECLINING OR STATIC MARKETS EXPLICITLY - ESPECIALLY AS INTRODUCTION OF NEW GATEWAYS MAY RESULT IN EXISTING ONES DECLINING OR LEVEL TRAFFIC.

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G. PRESSED FOR INDUSTRY SEAT FACTOR STANDARD.

5. DESIGNATION. SHOVELTON ASKED FOR DELAY IN DUAL DESIGNATION AT LA, UNTIL US ACHIEVES SINGLE DESIGNATION AT SFO, BOSTON.

6. NEXT MTG SCHEDULED FOR FRIDAY AM.

BREWSTER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, AIR SCHEDULES
Control Number: n/a
Copy: SINGLE
Sent Date: 16-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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